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A Stronger CSDP: Deepening Defence Cooperation

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Clingendael Report



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Cover photo: Soldiers carrying the EU flag for the starting ceremony of the European Parliament term 2014-2019.

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A Stronger CSDP: Deepening Defence Cooperation

Introduction



The first session of the seminar

(from left to right: Ian Lesser, Nick Witney, Pedro Serrano, Michel Barnier and Jacki Davis)

By June this year, High Representative Federica Mogherini will submit the EU Global Strategy on Foreign and Security Policy to the European Council. Although, as the HR has indicated, “security and defence will be an integral part of each chapter”¹, the Global Strategy will most likely define the implications for security and defence in general terms. Therefore, a translation into actionable proposals for a stronger CSDP and deepening defence cooperation is needed.

An early opportunity to discuss the implications of the Global Strategy for European defence was provided by the Netherlands EU Presidency Seminar “A Stronger CSDP: Deepening Defence Cooperation”, which took place on 20-21 January in Amsterdam. This seminar aimed to contribute to the establishment of a common ground on the scope and the extent of a stronger CSDP by increasing defence cooperation.

¹ Speech by High Representative/Vice-President of the European Commission and Head of the European Defence Agency Federica Mogherini at the EDA Annual Conference, European External Action Service, Brussels, 16 November 2015, 151116/03.

This Clingendael Report reflects the main topics of discussion at the seminar, but it is neither a verbatim record nor a summary of the debate. Rather, it lists key issues which need to be addressed in the Global Strategy and its translation into more specific, defence-targeted proposals. The report is divided into three sections. The first part focuses on the changed security environment of the EU and its implications for European defence. The second section looks at the 'what, where & how' of a stronger CSDP. The third section of the report focuses on the translation of these political ambitions into tools and mechanisms that ensure the necessary commitment ('how to get there'). The report closes with a list of issues which will need to be further discussed in the run-up to the new strategy.²

The new challenges

Europe faces a complex mix of threats stemming from state and non-state actors, with instability beyond our borders causing spill-over effects within Europe. To the South a growing number of failed or fragile states not only causes regional instability in the Middle East and Africa; mass migration flows to the EU and heinous acts of terrorism in European capitals prove that external and internal security are closely linked. To its East the EU faces a non-cooperative Russia, not willing to adhere to the rules of international law and posing hybrid threats to European security. New risks arise from technological developments in cybernetics and space. Regional and global powers are breaking the status quo and challenging the international order, while Europe's relative power position is declining. In the current security environment, a collective European response is more important than ever. No European state can deal with today's challenges on its own. Yet, despite the reality of the US pivot to Asia and the necessity of a more autonomous European defence, it seems that Washington is a greater supporter of increasing European defence capabilities than many EU member states. Some progress has been made – for example in air transport – but the overall picture is that 'too little' has been achieved and that speed is 'too slow'. Even the involvement of the European Council, through its 'defence agendas' of December 2013 and June 2015, has not brought about any sea change. Therefore, business as usual cannot be the motto. Europe has to get its act together in order to take more responsibility for its own security. While the US will not completely withdraw from Europe, the US has little patience for free-riding or EU institutional tinkering; credible European military capabilities and action are also key to maintaining a healthy transatlantic relationship.

2 The Clingendael Institute bears sole responsibility for the content of this report.

Strengthening CSDP: what, where & how

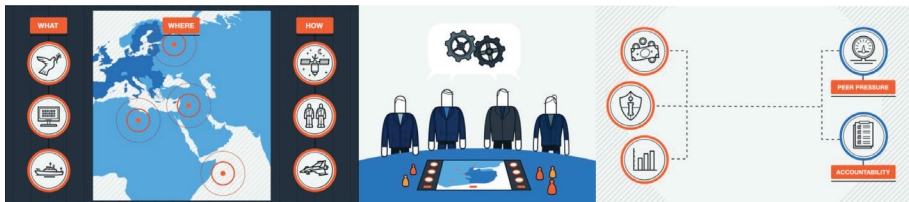
While CSDP has developed since 2000 its current ambition level is still based on goals set in another era. In that sense CSDP is outdated. The new security environment makes a fundamental review unavoidable. While all EU member states agree that Europe faces enormous challenges, the appreciation of these challenges differs. The high impact but lower probability risk of large-scale military aggression against the Union in the East is offset by instability and the ongoing migration crisis in the South. Diverging member state priorities result in a limited intersection of ambitions and geographical priorities. The choice is not between giving priority to the East or to the South. The question is how CSDP should be used as an instrument in the wider set of EU tools to deal with the challenges coming from both directions. The EU should look to the cumulative set of priorities and ambitions. This means a broad appreciation of security in which internal and external considerations are merged and an integrated civilian-military approach that takes defence out of its 'exceptional' and stove-piped status. This will also require the institutional, legal and financial barriers which block the integrated approach to be more rapidly addressed. Today's hybrid threats require us to do so. This approach should also help to bring defence home to the domestic audiences and help re-appreciate the role of defence in keeping them safe. The new EU Global Strategy is the first step in laying down this approach which should have the CSDP with its civilian and military instruments at its core. While the CSDP has to remain embedded in the wider approach to security, the EU nevertheless has to move beyond soft power. Without hard power the EU will never be able to act as a credible security provider. This has implications for the aims of and the capabilities for CSDP.

When addressing instability and conflict in the (extended) neighbourhood, the EU must continue to develop its comprehensive approach to crisis. It will also have to further build partnerships with the United Nations and NATO as well as with regional organisations such as the African Union and with partner countries in order to empower them to act through capacity-building. However, the unstable environment and the complicated conflict potential of today and tomorrow also require capabilities at the high end of the spectrum of operations. The mix of traditional military threats and challenges posed by terrorism and international crime will require broader mandates for the CSDP, changing both the ambition level and the scope of operations. The French Operation Barkhane could serve as an example for the CSDP's level of ambition.

The recent refugee crisis has shown that there is a role for defence in border security in supporting FRONTEX and a future border security and coast guard agency by, for example, maritime operations such as Sophia in the Mediterranean. CSDP has come closer to European borders and this trend is likely to continue as the arc of instability around the EU will remain. While traditional territorial defence will remain NATO's responsibility, the CSDP will also have to play a role in safeguarding and strengthening

European security. Both organisations should maintain a 360-degree approach and address challenges in partnership.

The invocation of Article 42.7 after the Paris terrorist attacks has resulted in bilateral military and other assistance to France. But mutual assistance should also be approached from the level of collective obligations, which could argue for making it an element of the CSDP. The implementation of the article needs to be fleshed out, moving from ad hoc bilateral arrangements to a sustained approach to collective security that includes the EU institutions. Article 222 (Solidarity Clause) could also be taken into consideration. Logically, further down the road the consequences for capability development should be assessed.



How to get there

Without capabilities and the political will to use them, strategy and policies remain empty shells. However, the results of capability development at the European level are disappointing. Many of the well-known shortfalls persist, for example in the area of military communications and information systems. Words on improving capabilities are often not followed by deeds. There are multiple reasons for this, but voluntarism and bureaucratic resistance stand out as the main factors. Political declarations often remain empty shells as too few member states commit themselves to concrete programmes. The escape argument of national bureaucracies is often ‘that international defence cooperation is very difficult’. However, continuing to do business as usual is no longer an option. In order to change the situation the EU has to move towards a more committed, a more politically steered and a more accountable way of improving military capabilities.

CSDP White Book

The Global Strategy will entail a stronger CSDP, adapted to the new security environment. In order to deliver, the new strategy has to be translated into actionable proposals to reinforce European defence cooperation. To realise this goal more will be required than just providing impetus to already existing ways of European capability development, simply because the old way of doing business has failed. Top-down political steering has to be combined with bottom-up efforts using more structural and systematic forms

of cooperation. Member states have to commit themselves and stick to their promises. That requires persistent political management in order to deliver real results. A CSDP White Book should serve all these goals. It could 'translate' the Global Strategy into aims, objectives and priorities for CSDP. It would indicate the implications of what CSDP is supposed to deliver in terms of military requirements and priorities. Naturally, this has to be in line with NATO's plans. The CSDP White Book would also have to define ways and means of realising strong commitments from member states and, thus, set the scene for a new system of peer pressure, assessment and accountability. It needs to be the reference document for guiding and steering CSDP development at the political level. It should address all relevant elements of European capability development, from demand to supply. In other words, it has to incorporate the European Defence Technological and Industrial Base dimension and it also has to go hand-in-hand with realising an open and competitive defence market. Clearly, in terms of a concrete follow-up the Action Plan of the European Commission will be the guiding document. With regard to timing: in order to prevent a long and bureaucratic process an ambitious date for the delivery of the CSDP White Book should be set, preferably December 2016. This time line is short, as the Global Strategy has to come first with delivery to the European Council in June. Therefore, it is advisable to start discussing the framework of a CSDP White Book before that date, naturally without any formal decision being taken on the matter. In the same vein, it will be worthwhile to debate potential new methods for reforming CSDP capability development. Three stand out for further discussion: (i) peer pressure, assessment and accountability; (ii) alternative formats of smaller groups; (iii) financial incentives.

Peer pressure, assessment and accountability

Member states' 'own' military forces and the defence budgets are national assets and budgets. Any system of peer pressure has to take these realities into account. As member states are responsible for maintaining and modernising their armed forces they should hold each other accountable for the progress made in capability development, in particular in solving well-known European military shortfalls. The role of the Brussels level would be to 'administer' defence planning by collecting required data and providing these to all member states. The European Defence Agency could thus become the custodian of all relevant information, from defence budgets to defence plans and long-term procurement programmes. First and foremost this will require transparency. Past attempts have delivered partial and scattered data as capitals have often kept a tight hand on relevant information – only releasing it when national decisions had been taken. This hampers defence cooperation. The sharing of all defence and procurement planning information would increase opportunities for collaboration, also building on already ongoing efforts in smaller groups. It could also provide the basis for an assessment of EU Ministers of Defence on the progress made in European capability development. They would then hold each other accountable, not by 'naming and shaming' but by listing their efforts in solving European shortfalls and by committing

themselves to multinational projects setting clear deadlines for delivery. This also entails engaging the public and parliaments. Ministers would have to assess the progress on an annual basis, allocating appropriate time for such debates at their meetings. Peer pressure will only work when the information on commitments and delivery time-schedules are made public. Here, the EDA in its role as a custodian could also play an important role. Another tool which could help would be to revive the EDA benchmarks on research and technology investment and procurement. In particular the output-oriented benchmarks on collaborative investment targets should be given more political attention – comparable to the way the 2% norm gets political clout in NATO at summit level – in order to increase peer pressure for investing more together.

Alternative formats

Many European countries already deepen their defence cooperation in bilateral or regional clusters. In recent years real progress has been made, not only in reaping low hanging fruit (common education, training, exercises) but also in more complicated sectors. Just to mention two examples: the Visegrad-4 have started to align defence planning in order to maximise the scope for common procurement; the armies of Germany and the Netherlands are integrating tanks which allows the Dutch military to maintain operational knowledge and practical experience in this area. The European Air Transport Command (EATC) shows that the transfer of authority to a multinational level can deliver capabilities more efficiently and cost-effectively. Its business model should be explored for other capability areas, such as sea transport and logistics. Once a business case has been made, member states should commit themselves at the political level, including clear timelines for delivery to overcome bureaucratic resistance. The progress made should then be part of the annual political assessment of EU Defence Ministers.

Unused articles of the Lisbon Treaty also constitute a potential for working in smaller groups. Permanent structured cooperation (PESCO) could be exploited for deepening defence cooperation in core groups. The advantage is that the activation of Article 46 (PESCO) would embed defence cooperation in cluster-like groups in the EU with the EDA in a supporting role. This EDA task would reinforce the system of peer pressure, assessment and accountability. Article 42.7 (mutual assistance) has been activated by France after the terrorist attacks in Paris on 13 November 2015. In practice it has resulted in a series of bilateral consultations, followed by decisions in other European capitals to provide military and other support to France. Lessons could be drawn from the Art. 42.7 activation, also to explore if and what role the EU institutions could play in the future use of this Lisbon Treaty provision.

Financial incentives

Deepening defence cooperation through (collaborative) investment requires funding. As the 'owners' of armed forces, member states invest in military capabilities and they should increasingly do this together. The potential for using financial incentives at the EU level should not be ignored. There is huge scope for involving other financial sectors for investment in defence, in particular for capabilities which are used by both civilian and military customers. This applies in particular to dual-use enablers such as communication and observation satellites, to unmanned air systems and to logistics. For technology research and development in the defence area the launching of the Preparatory Action (PA) has been a breakthrough. Now, it is crucial to ensure that the successor programme to Horizon 2020 will incorporate a chapter on CSDP-related research of a substantial financial size. In order to generate political support it will be crucial that the PA and dual-use research and technology projects deliver concrete results in the near future, thus proving that such investment strengthens European capabilities. Another element which member states should explore fully is the VAT exemption of the EDA. The scope of this new provision in the amended founding act of the Agency (the 2015 Council Decision on EDA) should be explored by practical testing as soon as possible. Finally, the EDA is exploring the creation of a fund for bridging gaps which member states might temporarily have for financing their share of a project. These efforts deserve the strongest possible support as such a fund would help to speed up collaborative programmes and prevent the available money from being channelled back to the general state budget.

The way forward

- Europe faces unprecedented security challenges. This calls for a step change in the EU's approach to security and defence. The threats to Europe are primarily of a hybrid nature and should be tackled with a diverse set of instruments, including the mutual assistance clause (Art. 42.7) which needs to be further developed.
- A CSDP White Book is necessary for the concrete implementation of the Global Strategy into a level of ambition, required capabilities and how to obtain these capabilities. It would signal the political will to realise a credible European defence. At the same time, it is a means to bring together all relevant existing initiatives and proposals into one coherent document.
- The EU's way of 'constructive ambiguity' in developing defence cooperation has to be replaced by a real political commitment. The bureaucratic layer between top-down steering and bottom-up efforts has to be overcome. This entails, among other things, that Council decisions should contain concrete and actionable agendas.

which are revisited periodically and for whose implementation all levels are held accountable.

- The regular involvement of the European Council in defence matters remains essential, also in view of the wider security agendas of the EU. To strengthen national buy-in, Finance Ministers should also be involved, perhaps by meeting periodically with Defence Ministers.
- In order to deepen defence cooperation a system of 'positive' peer pressure (no 'naming and shaming', but 'naming and praising') has to be developed. This requires transparency concerning budgets and defence plans. A regular assessment of the results of EDA benchmarks, in particular of the collaborative spending yardsticks, would provide an important contribution to such peer pressure.
- Member states that are not only able, but first and foremost willing to follow through on their commitments could agree to move ahead, making use of the flexible cooperation clauses in the Treaty, such as permanent structured cooperation (Art. 46).
- The potential of the Commission in supporting and financing industrial and technological development benefiting defence capabilities should be further explored. The Commission's Action Plan should be complementary to the CSDP White Book. Also, in the coming 18 months member states have to provide arguments to the Commission as to why a larger part of the follow on to Horizon 2020 should be devoted to defence-relevant research. It is in the interest of a well-functioning defence market that the Commission adheres to a stricter policy on the application of the Defence Procurement Directive.
- The EATC model provides a convincing business model that should be emulated for other capabilities. A concrete tasking with a blueprint for other capability areas should be initiated.

It should be noted that this report does not reflect a consensus at the seminar. Various and sometimes opposing opinions were expressed by participants. However, the authors of the report are of the opinion that the points listed above provide that potential for building consensus.